

Dear Secretary,

We welcome OSC Staff Notice 11-784 *Burden Reduction* (“Notice 11-784”) as an initiative of the Ontario Securities Commission (the “OSC”) to reduce regulatory burden for market participants.

We are a merchant bank that works exclusively with publicly-traded and pre-public micro-capitalization issuers. Some of our portfolio companies include Trius Investments Inc. (TSXV:TRU.H) and Prize Exploration Inc., the latter of which is in the midst of an initial public offering and specifically a prospectus review process with the OSC.

In our experience, the sheer volume of legal, regulatory, and stock exchange requirements are heavily burdensome for junior issuers, who must attempt to achieve commercial success and market/investor following despite limited management resources and funds.

While far from an exhaustive list, we believe some or all of the following suggestions, if implemented, would assist in reducing the regulatory burden imposed on issuers, without depriving investors and the general public of the information they need to make well-informed investment decisions:

- Re: *Operational changes for regulatory branches and offices, #4*: Permitting ‘routine’ (or all) exemptive relief applications in connection with a prospectus review process to be included within an issuer’s response letter, rather than submitted as a separate formal application with an accompanying application fee, would accord with the practice currently permitted by stock exchanges while also reducing the amount of paperwork and duplicative fees charged to issuers.
- Re: *Enhancing investor experience and outcomes*: Perhaps “venture issuers” (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) could be exempted from the requirement to file material change reports (“MCRs”). In our experience, the approach to and content of MCR filings varies widely, with some issuers simply filing the MCR form with the related press release attached as an appendix. In those cases - and even in others where the MCR is ‘properly’ completed - we are of the view that the MCR provides little or no additional information for investors, although it does impose additional resource needs and filing costs on the issuer. Furthermore, for venture issuers, more developments are likely to be material, with the result that more MCRs need to be filed, thereby detracting from the presumed objective of the MCR requirement, which is to alert investors to the ‘more material’ developments affecting an issuer.
- Re: *Enhancing investor experience and outcomes*: The Quarterly Highlights option for venture issuers under section 2.2.1 of Form 51-102F1 *Management’s Discussion and Analysis* (“Form 51-102F1”) is a very practical solution that benefits junior issuers. Along those lines, expressly permitting certain items in management’s discussion and analysis – specifically Items 1.8, 1.9, 1.12, 1.13, and 1.14 of Form 51-102F1 – to be satisfied by cross-reference to the comparable notes in the accompanying financial statements would eliminate redundant disclosure, particularly for venture issuers with simpler accounting policies and practices, without reducing the information available to readers.

We respectfully submit this letter and these suggestions for your consideration, and once again commend the OSC for its initiative in releasing Notice 11-784 and, hopefully, implementing the results thereof in the near future.

Should you have any questions or comments with respect to this letter, kindly contact the undersigned.

Sincerely,

Joel Freudman

President

Resurgent Capital Corp.